

Illustrating the Financial Consequences of Outcome-based Payment Models - The Case of Autologous Gene Therapy Atidarsagene Autotemcel (AA), Libmeldy®

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OBJECTIVE

To weigh different payment scenarios to accommodate the uncertain long-term benefits of atidarsagene autotemcel, a calculation tool was developed to aid the negotiating of outcome-based spread payment models compared to discounts.

METHOD

Using a calculation tool three payment models were compared:

- (1) an arbitrary 60% price discount,
- (2) an outcome-based spread payment with discounts,
- (3) an outcome-based spread payment linked to the willingness to pay model with discounts

Financial consequences were estimated for the assumptions:

- (A) Patients are full responders
- (B) Patients follow the clinical course as assumed by the developer
- (C) Patients are unstable responders

The associated costs for an average patient during the timeframe of the payment agreement (five years), the total budget impact (eight patients during the five-year interval), and associated benefits expressed in quality-adjusted life-years for the total expected lifetime of the patient population were calculated.

RESULTS

When patients responded according to the manufacturer assumptions (Scenario B), implementing an outcome-based reimbursement model (models 2 and 3) has an equal or lower associated budget impact while gaining similar benefits compared to a discount (Scenario 1, €9,4 million to €5,6 million vs. €9.2 million). In the case of unstable responders (Scenario C), costs for payers are lower in the outcome-based scenarios (€3.4 million and €2.3 million, Scenario 2.C and 3.C, respectively) compared to implementing a discount (€9.2 million, Scenario 1.C).

CONCLUSION

Outcome-based models can mitigate the financial risk of reimbursing AA over simple discounts in situations when clinical performance was similar to or worse than predicted.

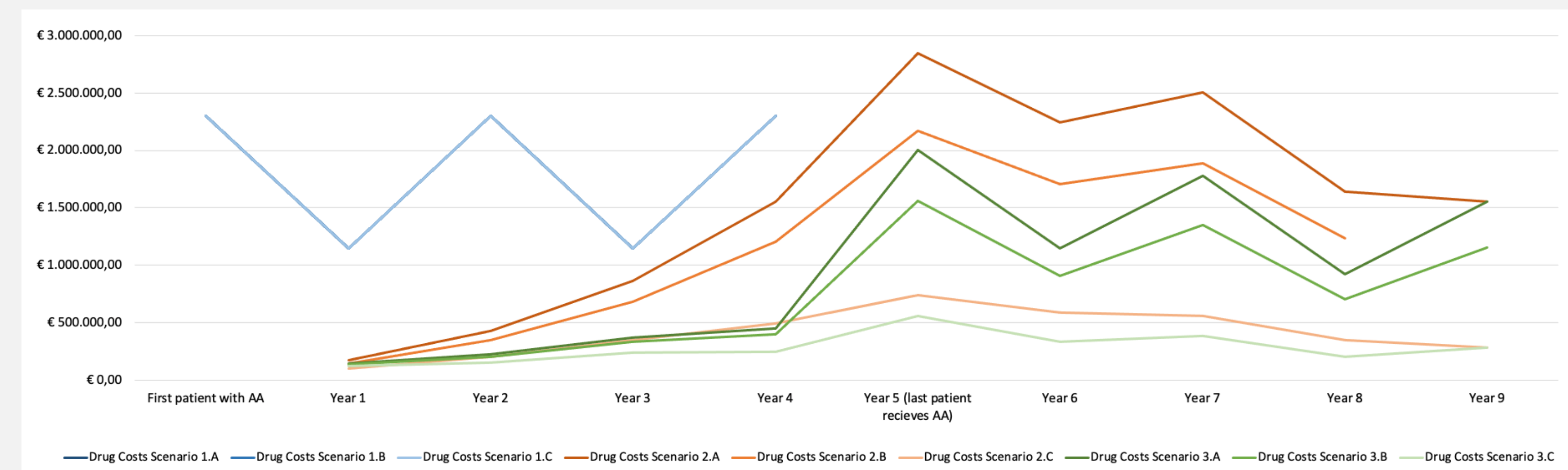


Figure 1. The budget impact of the different payment scenarios for all projected patients will be included in the agreement, i.e., 8 patients spread over 5 years. Patients starting in year 4 (the last year of patient inclusion in the agreement) will be followed until year 9.

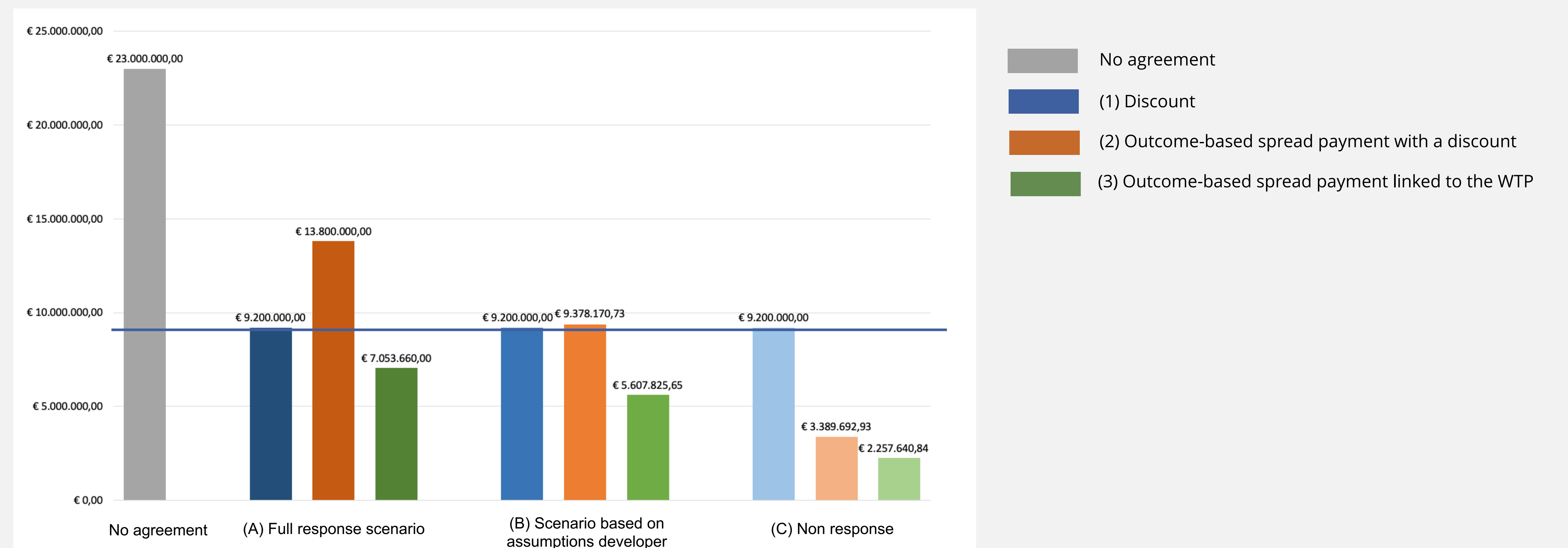


Figure 2. Total calculated costs of AA according to the different payment scenarios* over 5 years.

Want to know more?

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